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Director's Ceiling Reserve
Executive Registry
6-1911
X-pers

OCT 26 1954

MEMORANDUM FOR: Deputy Director (Administration)

SUBJECT: Ceilings - Director's Reserve

1. On 26 August 1954, the Deputy Director of Central Intelligence asked of the Deputy Director (Administration) as follows:

"In view of the 92 applicants for [redacted] slots, about which you told me, General Cabell would like to have Management study this situation and recommend a course of action."

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Although I think you have concluded and probably have advised General Cabell on this conclusion which disposes of the question, I would like nevertheless to put down here for the record certain points of value in connection with the question.

2. There are only three feasible ways to secure a Director's reserve. The first one is to create a paper reserve with no reference to existing Agency ceiling, then as drawn upon, the Agency ceiling becomes automatically raised to the extent of the drawings. This violates the Agency's desire to live under the presently established ceiling, and the existence of the paper reserve constitutes temptation.

The second way to create a Director's reserve is to withdraw already assigned, but vacant, ceiling allocations from Agency components and put these ceilings into a pool, which pool could be called a Director's reserve. This has not only the temptation disadvantage, but also would probably create a real fuss, even though the fuss would be based upon an unsubstantial position.

Thirdly, we could arbitrarily raise the Agency ceiling by the amount desired in the centralized pool.

3. You have concluded that when new projects come up they will be taken from existing vacant ceiling slots within the requesting component. This is sound and proper, and preserves the stated objective of living under the existing Agency ceiling.

The only problem we have here within the immediate foreseeable future is Commo, which office is pushing its assigned ceiling. Therefore, we may be later in a position of having to raise the Agency ceiling, or to transfer ceiling slots to Commo from the elements being supported by Commo, in order to give them some additional ceiling slots.

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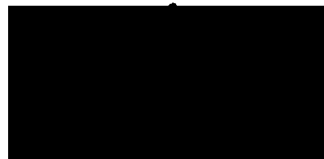
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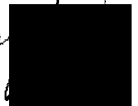
4. It makes good management sense to have a ceiling of some kind principally for the reason that it makes for a stop, look and listen. Also it will promote better and more realistic T/O's.

5. It is recommended that we have no Director's reserve; use up existing ceiling for any new work - planned or not; and, then come the day of no money in the bank, so to speak, manufacture some more.

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Chief, Management Staff

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